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Subject: POLITICO's Morning Energy, presented by Anheuser-Busch: Conservative talker has pull with Pruitt — It's primary

day in coal country — Trump meets with ethanol

By Kelsey Tamborrino | 05/08/2018 10:00 AM EDT

With help from Eric Wolff and Anthony Adragna

PRUITT GETS TO IT FOR HEWITT: New emails emerged Monday that provide previously unknown details in the ongoing raft of controversies that have plagued EPA Administrator Scott Pruitt - and provide more ammo for onlookers who worry Pruitt spends too much time currying favor with his political allies.

Conservative commentator Hugh Hewitt brokered a meeting that ultimately ended with a polluted California area on Pruitt's personal priority list of Superfund sites, POLITICO's Emily Holden and Anthony Adragna report. Hewitt lives in Orange County, where the Superfund site sits, and has a son who works in EPA's press office. The TV and radio host emailed Pruitt back in September to set up a meeting between Pruitt and the law firm Larson O'Brien, which employs Hewitt and represents the Orange County Water District. "I'll join if the Administrator would like me too or can catch up later at a dinner," Hewitt wrote in the email, which was obtained under a FOIA lawsuit by the Sierra Club. He added that the issues surrounding the Superfund site were "Greek to me but a big deal in my home county."

Weeks later, the Orange County North Basin site in question appeared on Pruitt's list of 21 contaminated areas to address. Pruitt then proposed listing the site on the agency's National Priorities List, making it potentially eligible for long-term federal cleanup funding. Since the meet-up, Hewitt has been a staunch defender of Pruitt, dismissing his recent controversies as "nonsense scandals" on MSNBC in early April. EPA spokesman Jahan Wilcox confirmed that Hewitt helped arrange the meeting at the request of the water district but didn't attend.

The meeting adds to environmentalists' concerns about Pruitt. "The biggest fear we have is that No. 1 the administrator's political priorities and personal ambitions, political ambitions become the primary criteria for action under this program instead of science and health," said Elgie Holstein, senior director for strategic planning at the Environmental Defense Fund who has been tracking EPA's Superfund actions. Read the story here.

FIRST CLASS MEMO: EPA on Monday also released a copy of a memo written by the former head of Pruitt's security detail justifying his first class flights. "We have observed and increased awareness and at times lashing out from passengers which occurs while the Administrator is seated in coach with [his security detail] not easily accessible to him due to uncontrolled full flights," Pasquale "Nino" Perrotta wrote in the May 1, 2017, memo. "Therefore, we believe that the continued use of coach seats for the Administrator would endanger his life and therefore respectfully ask that he be placed in either business and or first class accommodations." The Washington Post and E&E obtained copies of the memo via a FOIA request. Perrotta retired from the agency last week.

WELCOME TO TUESDAY! I'm your host Kelsey Tamborrino. Congrats to Cummins Inc.'s Patrick Wilson, who was first to identify former House Speaker Nathaniel Banks of Massachusetts as the representative who served 11 terms and ran for election on five different party tickets. He was successful in all but the Liberal

Republican ticket. For today: What president was first to watch a major league baseball game from the dugout? Bonus points if you can name the team. Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning Energy and @POLITICOPro.

BLANKENSHIP'S BIG DAY: We should know by tonight who will face Sen. Joe Manchin in a West Virginia Senate race that Republicans see as one of their biggest pickup opportunities of the year - that is, unless coal baron Don Blankenship scores a surprise upset in the surprisingly tight GOP primary. President Donald Trump tweeted Monday that Blankenship "can't win the General Election in your State," though he didn't endorse one of his opponents. That likely didn't ease fears that the two other major candidates - Rep. Evan Jenkins and state Attorney General Patrick Morrisey - will split the anti-Blankenship vote evenly and allow the former Massey Energy CEO to come out ahead. Blankenship recently was released from a year in jail following an explosion at the Upper Big Branch Mine that killed 29 workers. Blankenship has called the Upper Big Branch disaster the "worst tragedy" of his life, and is working to have his conviction thrown out. (He has previously lost on appeal and failed to convince the Supreme Court to take the case.) For his part, Blankenship said Monday he was confident he would win, POLITICO's Alex Isenstadt reports from Mount Hope, W. Va.

That's not all: The Mountain State is not alone in kicking the 2018 midterms into gear. Statewide primary elections also are happening today in Ohio and Indiana and North Carolina, including solar energy entrepreneur and Democrat Dan McCready, who is running in North Carolina's 9th District. Vox nicely breaks down today's big races nationwide <u>here</u> and POLITICO has 7 things to watch <u>here</u>.

SCHNEIDERMAN RESIGNS: New York Attorney General Eric Schneiderman, who has sued Exxon Mobil and fought the Trump administration's deregulatory agenda, <u>announced</u> his resignation Monday night in the wake of a report from the <u>New Yorker</u> that four women had accused him of abuse in previous romantic relationships. Two of the women who went on the record "say that they eventually sought medical attention after having been slapped hard across the ear and face, and also choked," according to the magazine. In a statement, Schneiderman disputed the allegations but said they "will effectively prevent me from leading the office's work at this critical time." The resignation takes effect at the close of business today.

Before the New Yorker story broke, Schneiderman and the attorneys general from seven other states called on Pruitt to withdraw his "secret science" proposal to ban the use of studies that don't publicly disclose all their data. Read the letter here.

CHOPPING BLOCK: The White House on Monday <u>outlined</u> its package of proposed spending cuts, rescinding \$4.3 billion from the Energy Department's Advanced Technology Vehicles Manufacturing loan program, which supports the production of fuel-efficient, advanced technology vehicles. It was part of an overall request for \$15 billion worth of rescissions from previously appropriated funds from prior years. Another package going after the FY18 omnibus is expected later this year. More <u>here</u>.

ON THE GRID: Puerto Rico's electric grid - which failed to provide power for much of the island for several months after last year's hurricanes - will be the focus of a Senate Energy and Natural Resources hearing this morning. The CEO of the Puerto Rico Electric Power Authority Walter Higgins and Bruce Walker, assistant Energy secretary for electricity delivery and energy reliability, are among the names set to testify. "The end goal is a modern and intelligent energy system that can serve as the resilient engine for Puerto Rico's economic revitalization," Walker is expected to say. Officials <u>say</u> close to 95 percent of power has now been restored on the island. **If you go:** The <u>hearing</u> kicks off at 10 a.m. in 366 Dirksen.

- Forty-seven U.S. and international scientific groups sent a <u>letter</u> to Puerto Rico Gov. Ricardo Rosselló on Monday, urging him to keep the island's statistical agency, the Puerto Rico Institute of Statistics, and its board of directors fully independent. "To address the challenges posed by its decade-long economic recession and the devastation of back-to-back hurricanes, Puerto Rico must chart its path toward sustainable recovery using reputable and reliable data and statistical methods," the letter says.

** A message from Anheuser-Busch: Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks. The zero-emission trucks will be able to travel between 500 and 1,200 miles. Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025. Learn more. **

ENERGY-WATER BILL ADVANCES: The House Appropriations Energy-Water subpanel swiftly approved its \$44.7 billion energy and water spending bill on a voice vote Monday, sending the measure to the full committee for consideration. The appropriations bill largely ignores the president's budget request, earning the approval of Democrats, who applauded the boost in funding for the Army Corps of Engineers and DOE thanks to the bipartisan agreement to lift spending caps. Read <u>more</u>.

TRUMP MEETS WITH SENATORS ON RFS: In what could perhaps be the final time, Trump plans to meet today with at least Sens. <u>Chuck Grassley</u>, <u>Joni Ernst</u>, <u>Ted Cruz</u> and <u>Pat Toomey</u> to discuss their dueling priorities around federal ethanol policy. Who else will be in the room remains unclear, as sources told ME conflicting stories: An ethanol source said neither Pruitt, nor the Ag secretary, would be present, while a Republican Senate aide said both would be there.

A source said Team Ethanol's main goal is to get Trump to affirm his commitment to year-round sales of 15 percent ethanol, but the rest of the agenda seems to be unclear. A biofuels source said they expect Trump to kick the biofuels battle to Congress, where Sen. <u>John Cornyn</u> and Rep. <u>John Shimkus</u> have been trying to write a bill to overhaul the RFS. Cruz said at a Capitol Hill rally last week that he would view that decision as doing nothing. Cruz and Toomey are still seeking Renewable Fuel Standard changes to dramatically lower the program's compliance costs for refineries. Trump is scheduled to meet with Republican senators at 11:15 this morning, according to his public schedule.

- Continuing their push for year-round sales of E15, fuel retailers from 11 states sent a letter to Trump on Monday, calling on him to instruct EPA to immediately follow up on a pledge to allow the year-round sale of E15 before summer restrictions kick in on June 1. Read the letter here. Eighteen other groups, including the Sierra Club and Earthjustice, signed onto their own letter expressing concern with the administration's openness to the year-round sale of E15. And the American Energy Alliance launched a digital ad campaign Monday urging for the repeal of the RFS. Watch that ad here.

EXPECTING BIG THINGS: Shimkus is expecting broad support from the House when his comprehensive nuclear waste package <u>H.R. 3053 (115)</u> gets a vote Thursday. "I think people are ready to do something rather than nothing," he told reporters Monday. Shimkus said it's been a months-long process to educate members about the importance of the legislation and added he sent texts to Speaker <u>Paul Ryan</u> and Majority Leader <u>Kevin McCarthy</u> thanking them for finally bringing the package to the floor.

But he's not crazy: Shimkus said he hadn't had any recent talks with Senate counterparts about potentially moving the bill across the Capitol and he didn't expect they would this year with one of their most vulnerable incumbents (and ardent Yucca opponent), Sen. <u>Dean Heller</u>, locked in a competitive reelection.

WHERE'S PERRY? Perry is slated to speak today during the Washington Conference on the Americas, where Commerce Secretary Wilbur Ross and Deputy Secretary of State John Sullivan, among others, are set to also appear. Perry will deliver remarks on "energy integration in the Americas" at 3:15 p.m. See the full agenda here.

E&C TACKLES EVs: The House Energy and Commerce Environment Subcommittee will listen to discussion today on how fuel vehicles and electric vehicles will coexist as electric vehicles become more popular. The hearing begins at 10:15 a.m. in 2322 Rayburn, or stream it <u>here</u>.

MAIL CALL: A diverse coalition of energy groups - including Advanced Energy Economy, the American Petroleum Institute and the American Wind Energy Association - on Monday urged Perry not to bail out coal and nuclear plants. Read their <u>letter</u>.

INHOFE BACKS JACKSON: An Axios <u>report</u> that Pruitt chief of staff Ryan Jackson has been frozen out of the EPA chief's inner circle didn't sound right to his former boss, Sen. <u>Jim Inhofe</u>. "I've known him well since he was 18 years old and I don't think they'd be capable of sidelining him," he told ME. Inhofe admitted that if the report is true - "that's an if I'm not willing to accept," he cautioned - it would be deeply concerning.

PRUITT MEETS MOTHERS ON CHEMICAL BAN: Two mothers will meet today with Pruitt, where they will press the administrator to ban paint strippers containing methylene chloride after their sons died using products with the chemical, according to the Environmental Defense Fund. On former President Barack Obama's last day in office, his administration proposed using the updated Toxic Substances Control Act to ban the use of the chemical in most commercial paint removers. Pruitt told lawmakers recently that he thinks EPA can make a decision on its proposed ban by the end of the year.

QUICK HITS

- Pruitt's Rome trip: More time on tourism than official business, The Daily Beast.
- Steel town that voted for Trump banks on renewables, <u>E&E News</u>.
- Interior sending officers to assist patrolling the U.S., Mexico border, The Hill.
- EPA proposal pushed by ex-coal lobbyist could transform agency's use of science, S&P Global.
- Booming tourism emits 8 percent of greenhouse gases, study shows, Reuters.
- Old-boys' club that ran power world cracking with its model, Bloomberg.

THAT'S ALL FOR ME!

** A message from Anheuser-Busch: Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks from the pioneer in hydrogen-electric renewable technology, Nikola Motor Company. The zero-emission trucks - which will be able to travel between 500 and 1,200 miles and be refilled within 20 minutes, reducing idle time - are expected to be integrated into Anheuser-Busch's dedicated fleet beginning in 2020.

Through this agreement Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025.

"At Anheuser-Busch we're continuously searching for ways to improve sustainability across our entire value chain and drive our industry forward," said Michel Doukeris, CEO of Anheuser-Busch. "The transport industry is one that is ripe for innovative solutions and Nikola is leading the way with hydrogen-electric, zero-emission capabilities. We are very excited by the possibilities our partnership with them can offer."

Learn more. **

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